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BOARD OF TRUSTEES OF THE INDIANA STATE TEACHERS' RETIREMENT FUND

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Resolution No. 2010-04-02

Adopting rules related to the administration of the Fund as described herein.

WHEREAS, the Indiana State Teachers' Retirement Fund exists to provide retirement benefits to its members, their survivors, and beneficiaries;

WHEREAS, the Board of Trustees of the Indiana State Teachers' Retirement Fund, by statute, administers the Fund;

WHEREAS, the Board of Trustees, pursuant to [IC 5-10.4-3-8](#), may establish and amend rules and regulations for the administration of the Fund without adopting a rule under Indiana Code 4-22-2; and

WHEREAS, the Board of Trustees of the Indiana State Teachers' Retirement Fund wishes to adopt, readopt, amend, and/or repeal certain rules contained or to be contained in the Indiana Administrative Code related to the administration of the Fund as described herein;

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the Indiana State Teachers' Retirement Fund that:

SECTION 1. [550 IAC 2-1-2.6](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-1-2.6](#) "De minimis account" or "de minimis amount" defined**

Authority: [IC 5-10.2-2-1](#); [IC 5-10.4-3-6](#); [IC 5-10.4-3-8](#)

Affected: [IC 5-10.2-3](#); [IC 5-10.4-4](#)

**Sec. 2.6. "De minimus [sic] account" or "de minimus [sic] amount" means an inactive, retired, retired for disability, suspended, or deceased member's ASA account whereby no regular and continuing contributions are being received and the account has a balance of which the value is less than the actual cost of making a distribution of the balance to the member or the member's beneficiary. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-2.6](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 2. [550 IAC 2-1-4.4](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-1-4.4](#) "ERM" defined**

Authority: [IC 5-10.4-3-6](#); [IC 5-10.4-3-8](#)

Affected: [IC 5-10.2-4-2](#); [IC 5-10.4-7-6](#); [IC 5-10.4-7-8](#)

**Sec. 4.4. "ERM" means the employer reporting and maintenance system, a web-enabled software application that manages employer and member data and collects members' wages and contributions. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-4.4](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 3. [550 IAC 2-1-10.5](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-1-10.5](#) "Reserve accounts" defined**

Authority: [IC 5-10.4](#)

Affected: [IC 5-10.4-2-6](#)

**Sec. 10.5. "Reserve accounts" refers to TRF accounts for current and future benefit payments. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-1-10.5](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 4. [550 IAC 2-2-6.4](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-2-6.4](#) Undistributed income**

Authority: [IC 5-10.4](#)

Affected: [IC 5-10.4-2-6](#)

**Sec. 6.4. After complying with [IC 5-10.4-2-6\(1\)](#) [sic], TRF shall distribute any remaining undistributed income reserve on a pro rata basis, based on the balance at the beginning of the accounting period which shall be at least quarterly, to all remaining reserve accounts within the pre-1996 account and the 1996 account. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-2-6.4](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 5. [550 IAC 2-3-6.5](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-3-6.5](#) De minimis accounts**

**Authority:** [IC 5-10.2-2-1](#); [IC 5-10.4-3-6](#); [IC 5-10.4-3-8](#)

**Affected:** [IC 5-10.2-3-6](#); [IC 5-10.4-4](#)

**Sec. 6.5. (a) If after suspension, retirement, retirement for disability, death withdrawal, or other withdrawal, an inactive member's ASA account balance is below the de minimus [sic] amount as such amount is determined by TRF, TRF may close the member's account and credit the residual amount to the fund without further notice.**

**(b) A member or the member's beneficiary may claim the amount credited to the fund and the account may be adjusted for gains, losses, or interest earnings unless otherwise limited by statute by petitioning TRF in writing.**

**(c) If the credited amount is from a suspended member's account, no gains or earnings shall be credited to the member's account in accordance with [IC 5-10.2-3-6](#). (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-3-6.5](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 6. [550 IAC 2-4-5](#) IS AMENDED TO READ AS FOLLOWS:

**[550 IAC 2-4-5](#) Member designation of beneficiaries**

**Authority:** [IC 5-10.4](#)

**Affected:** [IC 5-10.2-3-7.5](#); [IC 5-10.2-3-10](#); [IC 5-10.4-4-10](#)

**Sec. 5. (a) A new member shall designate, by name, primary and secondary beneficiaries to receive the assets present in the annuity savings account on the occasion of the member's death prior to retirement, less any disability benefits paid.**

**(b) A member who establishes a rollover account pursuant to [IC 5-10.2-3-10](#) may designate a beneficiary or beneficiaries separate from those designated on the member's annuity savings account under the requirements as stated herein.**

**(c) A member may name more than one (1) individual as primary or ~~secondary~~ **contingent** beneficiaries of the member's annuity savings account or rollover account. Upon the member's death, the assets held in the account shall be divided equally among the surviving primary beneficiaries or, if none, among the surviving ~~secondary~~ **contingent** beneficiaries, **or by whole percentage increments to such beneficiaries if the member has designated percentage increments on a TRF form.** Alternative beneficiary designations, such as per stirpes or by representation, will not be accepted or recognized by the fund.**

**(d) A member may name a trust, the member's estate, or other legal entity as the beneficiary of the member's annuity savings account or rollover account.**

**(e) A member may change his or her beneficiary designation in a manner and form approved by the board. Only beneficiary designations received by the fund or in the case when it was postmarked on or before the date of death shall be valid. The designated beneficiary's right to a benefit vests on the date of death of the member. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-4-5](#); filed Oct 5, 1992, 5:00 p.m.: 16 IR 707; readopted filed Dec 3, 2001, 11:02 a.m.: 25 IR 1731; adopted Mar 27, 2007: [20070404-IR-550070200ONA](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))**

SECTION 7. [550 IAC 2-7-8](#) IS AMENDED TO READ AS FOLLOWS:

**[550 IAC 2-7-8](#) Employer payments**

**Authority:** [IC 5-10.2-2-1](#); [IC 5-10.4-3-8](#)

Affected: [IC 5-10.2-4-2](#); [IC 5-10.4-7-6](#); [IC 5-10.4-7-8](#)

Sec. 8. (a) In accordance with and pursuant to [IC 5-10.4-7](#), not later than January 15, April 15, July 15, and October 15 of each year, the treasurer of a school corporation, the township trustee, or the appropriate officer of any other institution covered by TRF shall make payments to TRF and make a report to TRF in a form and manner as described by TRF. Amendatory reports to correct errors or omissions may be required and made.

~~(a)~~ (b) Notwithstanding subsection (a), as allowed in [IC 5-10.4-7-6](#), the TRF board of trustees herein sets once TRF gives reasonable notice to covered employers and after installation of the ERM system, the due date for contributions as is seven (7) days after a covered employer's payroll.

~~(b)~~ (c) Any payments not made on the due date automatically accrue interest at a rate equal to the prime rate reported in the Wall Street Journal on the first date of payment default, plus two (2) percentage points.

~~(c)~~ (d) Any employer who fails to submit required contributions and reports within thirty (30) days of the due date will be subject to a penalty as set forth in [IC 5-10.4-7-8](#). If the thirtieth day following the due date falls on a Saturday, Sunday, or a legal holiday, the due date becomes the next working day. It shall be the responsibility of the local official to employ such method of delivery to insure that the report and payment will reach TRF at 150 West Market Street, Suite 150, Indianapolis, Indiana 46204, on or before the due date. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-7-8](#); adopted Dec 16, 2009: [20100106-IR-550090990ONA](#); errata filed Jan 19, 2010, 12:48 p.m.: [20100203-IR-550100043ACA](#); errata filed Feb 17, 2010, 12:09 p.m.: [20100310-IR-550100109ACA](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))

SECTION 8. [550 IAC 2-9-1.5](#) IS ADDED TO READ AS FOLLOWS:

**[550 IAC 2-9-1.5](#) Classroom disability; waiver of time limitation**

Authority: [IC 5-10.4](#)

Affected: [IC 5-10.4-5-1](#); [IC 5-10.4-5-2](#)

Sec. 1.5. (a) Except as provided in subsection (b), a member must apply not later than one (1) year after the onset date of the disability to receive a classroom disability benefit under [IC 5-10.4-5](#).

(b) TRF may approve the processing of an application for classroom disability benefits received later than one (1) year, and payment of benefits may be authorized, if the member is otherwise eligible for such benefits. Approval may be given if the executive director finds, in the executive director's discretion, that:

- (1) the delay in submitting the application was reasonable and due to the member's injury or illness; or
- (2) the delay in submitting the application was reasonable and due to other extenuating circumstances.

(c) A member must petition TRF in writing, describing the reason for the delay, before a waiver can be granted under this rule. (Board of Trustees of the Indiana State Teachers' Retirement Fund; [550 IAC 2-9-1.5](#); adopted Apr 21, 2010: [20100505-IR-550100241ONA](#))

SECTION 9. THE FOLLOWING ARE READOPTED WITHOUT CHANGES: [550 IAC 7-1-1](#).

DATED: April 21, 2010

Signed: Ryan Kitchell

President of the Board of Trustees

Resolution adopted by 4 affirmative and 0 negative votes.

Posted: 05/05/2010 by Legislative Services Agency

An [html](#) version of this document.